THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) During the last three years, 278 Officers were promoted from Group 'B' to Group 'A' of the Indian Customs & Central Excise Service, on ad-hoc basis. Out of these, 66 belong to SC and 10 to ST categories.

(c) Promotions are made on ad-hoc basis on the recommendations of the Departmental Screening Committee which normally meets once a year. Acutal orders of promotions are issued as and when vacancies arise, due to retirement etc. Supplementary meetings of the Departmental Screening Committee are held either due to. court orders, or revision of seniority of officers.

Violation of Discretionary Powers by Banks

4422. SHRI PRAMOD MAHAJAN :
SHRI VIREN J. SHAH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Department of Banking Operation and Development (DBOD) of the Reserve Bank of India has pointed out in its recent Inspection Report that the loans and credit facilities were given by certain banks without proper assessment of the companies financial position and without adherence to sanction limits ;

(b) if so, what are the details of the Report;

(c) what are the details of loans and credit facilities given by each bank to each company ;

(d) whether any irregularities have been detected by the Reserve Bank of India in this regard and if so, what are the details thereof;

(e) what action has been taken against the officials of each bank for gross violation of discretionary powers and also against peisons/ dompanies involved- in such transactions;- and

(f) what are the details of instructions issued by the Reserve Bank of India in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (f) The information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

Value of Rupee

4423. SHRIMATI KAMLA SINHA :
DR. BAPU KALDATE :

Will the Minister of FINANCE be pleased to state:

(a) what is the existing rupee value against the European currencies as also against the Asian currencies;

(b) what is the extent of the fall in the rupee value since the beginning of 1994 as against the European and Asian currencies ; and

(c) whether with the fall in the rupee value, Government contemplate to devalue the rupee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) The exchange rate of the rupee against important Asian and European currencies as on December 31, 1993 and April 8, 1994 as also the rate of depreciation/appreciation of the rupee against these currencies are set out in Statement (see below).

(c) Under the unified exchange rate system introduced in March, 1993 the exchange rate of the rupee is determined by the forces of demand and supply in the foreign exchange market rather than by any deliberate policy stance.

Statement

Exchange Rate of the Rupee

Sr. No.	Currencies	Rate as on 31-12-93	Rate as on 8-4-94	Appreciation (+)/ Depreciation (—1
1.	Paund Sterling	46.4450 .	46.2388	+0.45
2.	Deutsache Mark	18.0863	18.3263	—1.31

2	3	4	5
3. Swiss Franc	21.1779	21.6748	—2.29
4. French Franc....	5.3241	5.3378	—0.26
5. Italian Lira	0.0183	0.0191	-4.19
6. Japanese Yen	0.2803	0.2988	—6.19
7. Malaysian Ringgit	11.6463	11.6834	-0.32
8. Indonesian Rupiah	0.0149	0.0145	+2.76
9. Thailand Baht	1 .2282	1.2385	—0.83
10	.602	4.0597	+0.01
11 Pakistan Rupee	1.0427	1.0279	+1.44
12 Chinese Yuan	5.4095	3.6024	+50.16

Frauds In Public Sector Banks

4424. SHRI VIRENDRA KATARIA : Will the Minister of FINANCE be pleased to state :

(a) whether there has been a spurt in the frauds in public sector banks during the last two years, giving details, year-wise ;

(b) the main reasons in this regard; and

(c) the various precautions taken by Government to check the frauds ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) During the period from 1-1-93 to 30-9-93, as reported by public sector banks to Reserve Bank of India, 1587 cases of fraud took place in India as compared to 1535 and 1702 cases of frauds which look place in India in 1991 and 1992 respectively.

(b)The rise of frauds in banks may b« attributed to large scale expansion and diversification in banking business, non-observance of laid down norms and procedures by bank officials, weaknesses in internal control mechanism in banks etc.

(c) Government/RBI and Banks have taken several steps from time to time for prevention and prompt detection of frauds.

RBI has issued circulars giving comprehensive guidelines wherein banks have been advised to strengthen the control mechanism, with a view to eliminate scope for malpractices. Fraud cases are reviewed by RBI, and In

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ingenious cases, modus operandi and required safeguards are advised to banks for initiating action to prevent then-recurrence. RBI has also set up a Special Investigation Cell (SIC) for undertaking investigation and scrutiny into reported cases of major frauds as well as snap inspections' covering systems and procedures and control arrangements in identified fraud prone areas.

Banks have been impressed upon to clear arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis so as to prevent frauds in these areas. Progress of implementation of recommendations made by the Ghosh Committee which enquired into various aspects relating to frauds and malpractices in the banks is monitored by RBI.

RBI has also impressed upon the banks for proper training of operational personnel so that they appreciate the implications of laxaties in following laid down procedures, and take needed care in actual working.

Foreign Exchange Reserves

4425. SHRI PRAKASH YASHWANT AMBEDKAR: Will the Minister of Finance be pleased to state :

(a) the country's foreign exchange reserve, excluding Gold and S.D.R., as at the end of March, 1994;

(b) how it compares with those as at the end of March, 1991, March, 1592 and March, 1993 ;

(c) the component of foreign exchange reserve for the above period;